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accountancy & bookkeeping made easy

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COVID-19 Business Support - (All information correct as of 23/03/2020)

Coronavirus Job Retention Scheme

HMRC will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month. HMRC are working urgently to set up a system for reimbursement. Existing systems are not set up to facilitate payments to employers.

To access the scheme you will need to:

- designate affected employees as 'furloughed workers,' and notify your employees of this change - changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation
- submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal (HMRC will set out further details on the information required)

Support for businesses through deferring VAT and Income Tax payments

For VAT, the deferral will apply from 20 March 2020 until 30 June 2020.

Taxpayers will be given until the end of the 2020 to 2021 tax year to pay any liabilities that have accumulated during the deferral period. VAT refunds and reclaims will be paid by the government as normal.

Income Tax

For Income Tax Self-Assessment, payments due on the 31 July 2020 will be deferred until the 31 January 2021.

This is an automatic offer with no applications required.

No penalties or interest for late payment will be charged in the deferral period.

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Support for businesses who are paying sick pay to employees

We will bring forward legislation to allow small-and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19. The eligibility criteria for the scheme will be as follows:

- this refund will cover up to 2 weeks' SSP per eligible employee who has been off work because of COVID-19
- employers with fewer than 250 employees will be eligible - the size of an employer will be determined by the number of people they employed as of 28 February 2020
- employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19
- employers should maintain records of staff absences and payments of SSP, but employees will not need to provide a GP fit note. If evidence is required by an employer, those with symptoms of coronavirus can get an isolation note from NHS 111 online and those who live with someone that has symptoms can get a note from the NHS website
- eligible period for the scheme will commence the day after the regulations on the extension of SSP to those staying at home comes into force
- the government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible

You are eligible for this scheme if:

- your business is UK based
- your business is a small or medium-sized and employs fewer than 250 employees as of 28 February 2020

Support for retail, hospitality and leisure businesses that pay business rates

We will introduce a business rates holiday for retail, hospitality and leisure businesses in England for the 2020 to 2021 tax year.

Businesses that received the retail discount in the 2019 to 2020 tax year will be rebilled by their local authority as soon as possible.

You are eligible for the business rates holiday if:

- your business is based in England
- your business is in the retail, hospitality and/or leisure sector

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Cash grants for retail, hospitality and leisure businesses

The Retail and Hospitality Grant Scheme provides businesses in the retail, hospitality and leisure sectors with a cash grant of up to £25,000 per property. For businesses in these sectors with a rateable value of under £15,000, they will receive a grant of £10,000. For businesses in these sectors with a rateable value of between £15,000 and £51,000, they will receive a grant of £25,000.

You are eligible for the grant if:

- your business is based in England
- your business is in the retail, hospitality and/or leisure sector

Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:

- as shops, restaurants, cafes, drinking establishments, cinemas and live music venues
- for assembly and leisure
- as hotels, guest and boarding premises and self-catering accommodation

You do not need to do anything. Your local authority will write to you if you are eligible for this grant.

Support for businesses that pay little or no business rates

The government will provide additional Small Business Grant Scheme funding for local authorities to support small businesses that already pay little or no business rates because of small business rate relief (SBBR). This will provide a one-off grant of £10,000 to eligible businesses to help meet their ongoing business costs.

You do not need to do anything. Your local authority will write to you if you are eligible for this grant.

Support for businesses through the Coronavirus Business Interruption Loan Scheme

The new Coronavirus Business Interruption Loan Scheme supports SMEs with access to working capital (including loans, overdrafts, invoice finance and asset finance) of up to £5 million in value and for up to 6 years.

The government will pay to cover the first 12 months of interest payments and any lender-levied fees, so smaller businesses will not face any upfront costs and will benefit from lower initial repayments.

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The government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs.

This scheme is being delivered through commercial lenders, backed by the British Business Bank.

You are eligible for the scheme if:

- your business is UK based, with turnover of no more than £45 million per year
- your business meets the other British Business Bank eligibility criteria

The scheme is now open for applications. To apply, you should talk to your bank or one of the 40 accredited finance providers (not the British Business Bank) as soon as possible, to discuss your business plan. You can find out the latest on the best ways to contact them via their websites.

Full rules of the scheme and the list of accredited lenders are available here - https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils/accredited-lenders/

Support for businesses paying tax: Time to Pay service

All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service.

These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.

You are eligible if your business:

- pays tax to the UK government
- has outstanding tax liabilities

If you have missed a tax payment or you might miss your next payment due to COVID-19, please call HMRC's dedicated helpline: 0800 0159 559.

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Insurance

Businesses that have cover for both pandemics and government-ordered closure should be covered, as the government and insurance industry confirmed on 17 March 2020 that advice to avoid pubs, theatres etc is sufficient to make a claim as long as all other terms and conditions are met.

Insurance policies differ significantly, so businesses are encouraged to check the terms and conditions of their specific policy and contact their providers. Most businesses are unlikely to be covered, as standard business interruption insurance policies are dependent on damage to property and will exclude pandemics.

Links for Further Information

https://www.gov.uk/coronavirus

https://www.gov.uk/employment-support-allowance

https://www.gov.uk/difficulties-paying-hmrc

https://www.gov.uk/government/collections/coronavirus-covid-19-list-of-guidance

https://www.gov.uk/government/publications/coronavirus-covid-19-guidance-for-uk-businesses

https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19

https://www.gov.uk/universal-credit